MSC BAIRFING

40P

10 JANUARY 1957

ISRAEL AND ITS WEIGHBORS

- I. Israeli troops will be back to edges of Simmi by weekend.
 - A. Israel's problem: obey UN resolution and withdraw completely?
 Or stand put until political objectives obtained? Cabinet now
 meeting on question.
 - B. Imraeli objectives:
 - 1. Buffer sone.
 - 2. Free mavigation Aques and Sues
 - 3. He Egyptian return to Gama.
- II. Gulf of Agaba primary issue at moment.
 - A. Frigates sent to Zilat "naval base".
 - B. French-Israeli pipeline plans envision Sues by-pass.
- III. Arab counter pressures are striking at West, rather than Israel.
 - A. Masr threatening to ber French, UK use of Suez unless Israelis pull back to '49 lines.
 - 1. Eden resignation is shot-in-arm for Wasr.
 - 2. Me could hold up canal clearance work.
 - B. Syrians similarly threatening keep pipeline closed unless Israeli pull-out is total.